

U.S. Department of Homeland Security
Homeland Security Advisory Council (HSAC) Meeting- Open Session
The Woodrow Wilson International Center for Scholars
May 21, 2015

EXECUTIVE SUMMARY

1:51 p.m. to 4:24 p.m.

The open session of the Homeland Security Advisory Council (HSAC) meeting was convened on May 21, 2015 from 1:51 p.m. to 4:24 p.m. at the Woodrow Wilson International Center for Scholars, Washington, D.C. The meeting was open to members of the public under the provisions of the Federal Advisory Committee Act (FACA), P.L. 92-463 and 5 U.S.C. § 552b.

The following individuals were in attendance:

HSAC Members

Judge William Webster, <i>Chair</i>	Ms. Jane Holl Lute
Chief James Waters (proxy for Co-Chair Commissioner Bill Bratton)	Mr. John Magaw
Mr. Stephen Adegbite	Mr. David A. Martin
Admiral Thad Allen	Ms. Bonnie Michelman
Mr. Norman Augustine (via telephone)	Mr. Ned Norris, Jr. (via teleconference)
Hon. Ron Barber	Mr. Matthew Olsen
Ms. Elaine C. Duke	Ms. Farah Pandith
Mr. Paul Goldenberg	Mr. Robert Rose
Hon. Jane Harman	Mr. Harold Schaitberger
Hon. Jim Jones	Mr. Ali Soufan
Ms. Juliette Kayyem	Mr. Paul Stockton
Ms. Carie Lemack	Dr. Lydia Thomas
Mr. Wilson "Bill" Livingood	Mr. John Chausse (proxy for Gary Kelly)

Also Present

Mr. Jeh Johnson, Secretary, DHS
Mr. Alejandro Mayorkas, Deputy Secretary, DHS
Mr. Christian P. Marrone, Chief of Staff, DHS
Mr. Russ Deyo, Under Secretary for Management, DHS
Mr. Chip Fulghum, Acting Deputy Under Secretary for Management and Chief Financial Officer, DHS
Mr. Michael G. Masters, Executive Director of Homeland Security and Emergency Management, Cook County, Illinois
Ms. Karen P. Tandy, Administrator (Ret.), Drug Enforcement Administration
Ms. Sarah Morgenthau, Executive Director, Homeland Security Advisory Council, DHS
Ms. Traci Silas, Director, Federal Advisory Committees, DHS

Call to Order

Homeland Security Advisory Council Chair, Judge William H. Webster, convened the public session at 1:51 p.m. Executive Director Sarah Morgenthau welcomed the members and guests back to the meeting, and determined that a quorum was present.

Opening Remarks and Introductions

Executive Director Morgenthau welcomed the assembled members and guests, and thanked Council member Jane Harman and the Wilson Center for hosting the meeting. Executive Director Morgenthau explained that the Homeland Security Advisory Council is the Secretary's go-to group of senior advisors and leadership relies on it for candid feedback and fresh ideas. There are currently five active subcommittees under the Council. Executive Director Morgenthau provided an overview of the agenda for the meeting and introduced the Chairman of the Council, Judge William H. Webster.

Chair Webster thanked the members for coming and thanked the staff for organizing the meeting. The members introduced themselves.

Fiscal Year 2016 DHS Budget Update

Chip Fulghum, Acting Deputy Under Secretary for Management and Chief Financial Officer, provided the Fiscal Year 2016 budget update. Since 2012, the Department has operated under a series of 13 continuing resolutions, operated under the threat of a shutdown, and suffered from sequestration in 2013. This has had a cumulative effect on the Department, slowing its ability to hire and train, and has had an adverse impact on employee morale.

The FY 2015 budget allocated \$39.7 billion to the Department, which the FY 2016 DHS budget request builds upon for a proposed total of \$41.2 billion. It provides for a record number of Customs and Border Protection officers (nearly 24,000), over 91,000 flying hours for the Office of Air and Marine, and funding for nearly 50,000 military and civilian Coast Guard personnel. It includes an increase in resources for the U.S. Secret Service in preparation for the 2016 presidential election, as well as infrastructure improvements, additional special agents and Uniformed Division personnel. The budget request also maintains funding for grants at historically requested levels, additional funds for climate resilience, and funding for cyber investments.

While the request has been met positively by members of Congress on both sides of the aisle, it breaks the cap set by the Budget Control Act of 2011. The House of Representatives had set an allocation of \$39.3 billion for the FY16 DHS budget, and while the Senate's allocation is anticipated to be higher, most of these anticipated increases will be targeted to specific programs. The President and the Administration would like the Budget Control Act to be repealed, saying it is no longer necessary as the deficit has been reduced and the economy is rebounding. They argue that there are better approaches to deficit reduction than arbitrary spending cuts.

If an agreement is not reached, in order to meet the budget cap, the Department would need to make severe cuts to acquisition programs or disrupt operations. Many of the investigative capability initiatives in the request would also need to be cut. The Department is hopeful that Congress will reach an agreement, but in the meantime must plan for various scenarios. DHS is seeking the HSAC's advice on a proposal for a common appropriation structure in order to give leadership a more enterprise-level view of operations.

Member Barber asked what effect the Border Patrol Pay Reform bill has had in the budget request process and asked for an update on the status of the St. Elizabeths campus move. Deputy Under Secretary Fulghum said the budget request uses the savings associated with the bill to reduce administratively uncontrollable overtime from 25 percent to 20 percent. FY16 will see the next phase of construction completed at the St. Elizabeths campus, moving forward with the goal of transitioning most of the Department's agencies leadership there by 2021. Member Allen asked how the budget request works towards Coast Guard recapitalization. Deputy Under Secretary Fulghum said the budget request funds six fast response cutters, continues work on the Offshore Patrol Cutter, provides an investment for icebreakers, and refunds a currently mothballed assessment of the polar sea.

Member Michelman asked what the qualitative and quantitative impact of the sequestration has been. Deputy Under Secretary Fulghum said, while the effects have not been immediate, the sequestration has forced DHS to slow down hiring, make cuts to training, and reduce mission support personnel. Member Martin asked what efforts are being made to address the bottleneck caused by the underfunding of immigration courts and judges. Deputy Under Secretary Fulghum said the budget request funds 209 new Office of the Principal Legal Advisor (OPLA) attorneys and 31 new immigration judges.

CBP Integrity Advisory Panel Subcommittee Progress Report

Ms. Karen Tandy, Co-Chair, CBP Integrity Advisory Panel, provided the report. The Advisory Panel was created on March 3, 2015, and had its first meeting on March 4, 2015. Since then, the Advisory Panel has met three times via conference call, twice in person, and went on one site visit to the U.S. Customs and Border Protection Advanced Training Center at Harpers Ferry. They are hoping to conduct a future site visit to the U.S.-Mexico border.

The Advisory Panel has been helped by various groups in its initial charge of benchmarking best practices and highlighting areas of excellence and challenges. Customs and Border Protection has supplied the Advisory Panel with a large amount of relevant material. One of the meetings had a listening session with members from the NGO community, including border communities and the ACLU. The Office of the Inspector General for CBP has also provided help and advice, as well as several outside consultants that the CBP has relied upon.

The Advisory Panel is not prepared to make recommendations to DHS until its review is complete at the end of June. The review will focus on use of force, integrity, and transparency. It will furthermore compare CBP's efforts in these areas against a benchmark made through

examination of other federal agencies and police departments with the goal of developing best practices. The Advisory Panel thanks the HSAC staff for their help, and looks forward to presenting their recommendations at a future meeting.

Executive Director Morgenthau said HSAC staff will publish in the Federal Register the date and information for the public conference call where the Advisory Panel will present their report. Member Martin asked what the Advisory Panel's charge is regarding use of force. Ms. Tandy said the Advisory Panel is developing best practices for training and guidance, and is analyzing how incidents are reviewed, disseminated, and resolved. Since 2009, CBP's authority to conduct internal affairs investigations has increased markedly. Member Stockton asked to what extent the Advisory Panel's report will consider the importance of security evaluations in recruitment, as well as ongoing monitoring of the workforce. Ms. Tandy said the report has looked at the systems in place to determine opportunities for an early warning system.

DHS Grant Review Task Force Subcommittee Report

Member Livingood, Chair, and Mr. Michael Masters, Vice Chair, DHS Grant Review Task Force, provided the report. Since December 2014, the Task Force has met five times via conference call and once in person. During these meetings, the Task Force received informational briefings with the goal of gaining insight into the grants process so as to undertake substantive issue identification. The information they gathered centered on three questions: What are the intended outcomes of the grant process? What are the mechanics to achieve those outcomes? How can DHS best support a whole-community approach that is fundamentally rooted at the local level? To answer these questions, the Task Force reviewed programs in DHS. They looked at the basic overview of the FEMA preparedness grants suite, focusing on programs helping urban areas, tribal areas, port security, and transit security. They also reached out to key stakeholders. This meant talking to police and fire associations from big cities and small towns, as well tribal partners and transit partners, among others. The Task Force also collected and analyzed data from presidential policy directives and statements of the President, Secretary, and other DHS senior leadership. All of this information contributed to the preliminary assessment of DHS grant programs.

The Task Force concluded that DHS preparedness goals translate into five capabilities: Prevention, Protection, Mitigation, Response and Recovery. These capabilities, when used in the lifecycle of a grant, become five steps: Risk Assessment, Planning, Management, Policies and Procedures, and Evaluation. The Task Force analyzed how these five steps manifested themselves in DHS grant programs, finding both excellence and challenges.

In terms of Risk Assessment, the Task Force concluded that there are various useful threat and hazard tools available to states and local partners that can be highly impactful. Overall, though, these tools lack standardization, are not tied to one another, are not always tied to goals or outcomes, and are often duplicative efforts with similar programs.

In the Planning aspect of the DHS grant programs, the Task Force found there is a lack of coordination between the various programs. Multiple points of contact between grantees and

DHS means there can be a lack of clarity on policies and procedures, delays in information sharing, and inaccurate intelligence streams.

With regards to Management of grant programs, the Task Force determined that management issues that reduce the period of performance for grantees are frequent, and that local level stakeholders do not believe DHS takes local procurement processes into consideration in grant language. Grantees lack an objective voice that can provide clarification or mediate issues or concerns with DHS.

In terms of Policies and Procedures, the Task Force's assessment found that although local communities are often best qualified to determine their capabilities and gaps, local stakeholders are often not in the best positions to identify best practices related to planning, equipment and training. While DHS has undertaken extensive research on best practices, local stakeholders often do not have access to this information, or are unaware of it being accessible.

And finally, concerning the Evaluation aspect of DHS grant programs, the Task Force found that DHS undertakes multiple audit and monitoring efforts of each grant and grant year. These audits create a constant effort that stretches limited resources.

The assessment is still in a preliminary stage, and more data is expected in the future, with stronger analytics. However, the Task Force was able to create a series of recommendations using the information from the preliminary assessment, with the aim of increasing the effectiveness and efficiency of the oversight and management of grants.

The Task Force recommends that DHS investigate mechanisms that would encourage as well as incentivize grantees to purchase off of existing federal contracts. DHS should also ensure that resources regarding best practices and new or emerging efforts are made available to grantees, through both user-friendly online tools as well as published materials.

Member Goldenberg asked if there was a discussion about the sustainment of equipment in the Task Force's meetings with grantees. Mr. Masters said there was a discussion and that many grantees were unaware of changes in policy regarding sustainment. The disconnect can be attributed to a lack of effective bi-directional communication between the Department and grantees. DHS can do a more effective job of communicating what sustaining equipment actually means in practice. Member Norris asked about the extent to which tribes were involved in the grant review process. Mr. Masters said the Task Force received a briefing about the overall status of the tribal grant program, and there are calls scheduled in the next several weeks with tribal partners and stakeholders. Member Michelman asked if the stakeholders the Task Force met with included private sector leaders. Member Livingood said the Task Force did meet with private sector leaders.

DHS Employee Task Force Subcommittee Report

Member Augustine, Chair, DHS Employee Task Force, provided the report via teleconference. The Office of Personnel Management periodically conducts a survey of various departments and

agencies of the U.S. government, assessing employee engagement, morale satisfaction, etc. DHS has trended towards the bottom in these surveys, and recent trends are not encouraging. As a result, Secretary of Homeland Security Johnson asked the HSAC to create a Task Force to candidly assess the situation and make recommendations. While the current Department leadership is already making efforts towards improving the situation, the Task Force was asked to provide recommendations in a broader scope.

There is no one reason for poor employee survey results. Some causes are external to the Department, such as furloughs, pay freezes, sequestration, and leadership turnover. Other causes are internal and even unique to DHS, such as the challenge of bringing together 22 separate organizations into a single entity, as the Department was suddenly tasked to do upon its creation. Although the steps to fix these problems are not difficult, they do require commitment from every level of management, and follow up to ensure actions are being implemented at every level. Experience has shown that morale issues can only be dealt with by changes to the conditions that underlie the morale that exists, and that further meetings, surveys and pronouncement may only make matters worse.

As such, the Task Force offered four recommendations with 27 specific action items addressing the areas of Management, Training, Personnel Development, and Communications. The Task Force recommended that DHS greatly increase the emphasis on leadership qualities when filling managerial positions and when assessing the performance of incumbents. The Department should significantly improve management training, particularly leadership training, and should also adopt proven industrial standards for personnel development. The Department should significantly strengthen communications, making greater use of modern communication technology.

Member Augustine highlighted several of the action items that the Task Force found most important: The Task Force found that employee engagement and morale deserve much greater attention on par with executives and managers. The Department should take decisive steps to remove non-performing employees, even when it may not seem cost-effective in the short term to do so. Non-performing employees have an amplifying effect in contributing to negative morale. The Department should not leave senior executive management positions unfilled, or filled on an acting basis, beyond a very brief period. DHS should vastly reduce the number of political appointees and convert them to the Senior Executive Service when possible. While they may bring in outside expertise and fresh ideas, political appointees are far too often unqualified for their positions and can lead to a demoralized workforce.

The Task Force recommends that DHS resolve issues of seemingly modest consequence that are provoking antagonisms with unions, even if some concessions are made. The damage being done in these deliberations exceeds the impact of the argument. The Department should require people taking on new management responsibilities to take leadership training, and should establish a fund for management training. The Task Force recommends that DHS change the bonus system and make it more incentive-based. As it stands today, approximately 94 percent of all DHS employees received a bonus, meaning it amounts to little more than a bonus. Likewise, the Department should consider addressing the performance rating system as it provides little

meaning, motivation, and feedback to employees. DHS should co-locate all headquarters functions at a single facility and establish a hierarchical electronic communications system.

Chair Webster said that the report recognizes that a large number of congressional oversight committees claim responsibility over DHS. He asked why there isn't a recommendation addressing this. Member Thomas, Vice Chair of the DHS Employee Task Force, said that the Task Force included this point in the report for all to consider, but did not provide a recommendation because DHS cannot change this fact. Member Allen said that Congress is overdue in consolidating the committees overseeing DHS, and that he hopes that happens soon. Member Kayyem said that the Department will face its second major presidential transition in 18 months, and that it will serve as an opportunity for leadership to engage employees. Member Thomas said it is important that the previous leadership helps facilitate a smooth transition. Member Barber asked how the Task Force engaged employees in defining the morale problem and creating a solution. Member Thomas said that the Task Force did not conduct another round of surveys, but instead talked with employees about what solutions may help the situation. Member Lemack said that there was a lot of informal debriefing between DHS employees and Task Force members, allowing the members an insider look at the situation.

Foreign Fighter Task Force Subcommittee Report

Member Goldenberg, Co-Chair, Foreign Fighter Task Force, provided the report. Since December, the Task Force has met six times via conference call, and two in-person meetings in January and April. During these meetings, the Task Force received informational briefings from various subject matter experts and Department officials on the new issue of American nationals leaving their country to take part in conflicts on behalf of non-state actors, commonly referred to as "foreign fighters." The most prominent example of this is the self-identified Islamic State (ISIL) and Jabhat al Nusra, which have seen more than 20,000 foreign nationals join their ranks in the past four years.

Foreign fighters are primarily young men and women, often born in the United States, who come from all socioeconomic backgrounds. They leave for a variety of reasons, and therefore assessing why they decide to leave is a tremendously complex issue. They are targeted through sophisticated narratives and social media, and are a potential threat to conduct directed or lone-wolf style attacks targeting the United States and U.S. interests abroad.

The Task Force has attempted to answer how and why these people leave, what we can do to stop losing these people and what we can do to build communities of trust at the local, state, national, and international level. The Task Force gathered information to help address these questions by reviewing programs around the world, reaching out to stakeholders, and through annotated data collection and analysis. The Task Force was asked to design strategies to prevent Americans from joining foreign fighters, examine whether current border immigration and transportation security policies are appropriate, and recommend strategies to effectively prevent individuals returning from abroad from committing acts of violence domestically.

The Task Force's first tasking was to design strategies to prevent and discourage Americans

from joining foreign fighting efforts abroad. To this end, they recommend that DHS work to foster locally-based cultures of trust and security between law enforcement and community leaders. The Department should undertake an assessment on what training is being provided to local and state law enforcement as well as community leaders on the identification of indicators related to violent extremism. DHS should bring together key thought leaders from the public, private, non-profit, and academic sectors to coordinate ongoing efforts and make recommendations. The Department should allocate appropriate resources and training from federal funds to Countering Violent Extremism (CVE) prevention and community engagement initiatives. Finally, the Task Force recommends that DHS ensure efficient information sharing systems between local and federal levels and support credible messages and messengers aimed to counter the narratives of violent extremism.

The Task Force's second tasking was to examine whether current border, immigration, and transportation security policies are appropriate in addressing the return for foreign fighters. The Task Force recommends that the DHS Data Framework become the overarching organizing concept for the acquisition, management, analysis, and sharing of information and intelligence for DHS mission execution. DHS should develop a systemic approach to the ingestion of data into the framework, and should follow the recently issued Privacy Impact Statement (PIA) "DHS Data Framework – Interim Process to Address an Emergent Threat" as the policy rationale for moving unclassified data into classified systems. The Department needs to address the status of new information that is developed with multiple data sources in relation to privacy and civil liberties. As part of the development of the DHS Data Framework, the Department should direct a component-level assessment of existing data systems and their readiness to be assimilated into the Framework in order to shape future policy and resource decisions. The DHS Data Framework should receive policy and funding support to build out a multi-tiered system capable of managing data at all levels of classification. The DHS Policy Engagement Matrix should be used as the basis for a larger and more comprehensive capture of component and directorate activities. The deployment of DHS personnel outside the United States should be done within a concept of operations that integrates all DHS mission priorities and potential synergies between DHS components. The current DHS Counterterrorism Advisory Board (CTAB) charter predates the current focus on CVE, and as such the charter should be reviewed and revised to reflect the current threat environment, any policy changes that have been made since issuance in 2011, and should align DHS counterterrorism activities under the Secretary's Unity of Effort guidance. Finally, the Task Force recommends that DHS should consider a Department-wide simulation or war game that stresses the various nodes of the foreign terrorist/fighter cycle.

The Task Force's third tasking is to recommend strategies to effectively prevent individuals, returning from foreign fighting experiences, from engaging in violence within American communities. The Task Force recommends that a database of returning foreign fighters should be made available to local, state, and federal law enforcement and community institutions. DHS should develop data sets for local stakeholders working with federal partners to test weaknesses and gaps in the information-sharing processes as well as tactical/operational responses to foreign fighter matters. The Department should ensure that mechanisms are in place to assess and better understand the motivations of individuals returning from foreign fighting experiences. DHS should provide resource material to communities for families and communities that need

assistance from youth counselors, religious advisors, and mental health experts for individuals returning from foreign fighting experiences. The Department should assist stakeholders and community-based organizations to counter the unhealthy interest in violent extremist groups by young women. DHS should collect and analyze information about returnees to identify indicators of vulnerability to radicalization and violence. Finally, the Task Force recommends that the Department assist in developing and promoting rehabilitation/reintegration efforts in cooperation and coordination with other stakeholders, prosecutors, or the judiciary where such action is deemed more appropriate than incarceration.

Public Comment Period

Chair Webster opened the floor to the public for comments. No comments were offered.

Council Deliberation and Approval of Subcommittee Reports

The CBP Integrity Advisory Panel offered only a status report and had no recommendations for consideration.

Member Livingood made a motion to accept the recommendations of the DHS Grant Review Task Force. There were multiple seconds to motion, which passed unanimously.

Member Livingood made a motion to accept the recommendations of the DHS Employee Task Force. Member Goldenberg seconded the motion, which passed unanimously.

Member Thomas made a motion to accept the recommendations of the Foreign Fighter Task Force. Member Livingood seconded the motion, which passed unanimously.

Introduction of New DHS Leadership/Swearing-In of New Council Members

Chair Webster introduced Jeh Johnson, Secretary of Homeland Security. Secretary Johnson swore in the new members of the HSAC: Ron Barber, Elaine C. Duke, Juliette Kayyem, David A. Martin, Ned Norris, Jr., Matthew Olsen, Farah Pandith, Robert Rose and Paul Stockton.

Secretary Johnson congratulated the new members and said this is an opportunity for them to serve the nation. Secretary Johnson said DHS remains focused on its various homeland security missions. These include counterterrorism; enforcement and administration of immigration laws; border, maritime, aviation, port, and cyber security; oversight and shepherding in reforms for the Secret Service; and natural disaster response, among many others.

Management reform is the Secretary's New Year's resolution, and he is pleased to have achieved a number of goals on the management reform front so far, including filling in all vacant positions. The Secretary introduced new DHS senior leadership. He thanked the members for their service and is looking forward to reading the reports of the task forces.

Adjourn

Judge Webster adjourned the open session of the meeting at 4:24 p.m. Judge Webster provided members of the public with the contact information for the HSAC so they could provide additional comments if they wanted.

Judge Webster then invited the members of the public to leave the room and thanked them for their interest and attendance. The Council then moved to the closed session.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

July 9th, 2015

A handwritten signature in black ink, appearing to read "William H. Webster", with a long horizontal flourish extending to the right.

Signed and Dated

Judge William H. Webster, Chairman, Homeland Security Advisory Council

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EXECUTIVE SUMMARY

11:00 a.m. to 1:00 p.m.

4:30 p.m. to 5:15 p.m.

HSAC Chair, Judge William Webster brought the closed sessions to order at 4:30 p.m.

During the closed session, the Council received updates on DHS's cyber security operations from Alejandro Mayorkas, Deputy Secretary of Homeland Security; the current threat environment from Michael G. Potts, Deputy Under Secretary for Analysis; and aviation and airport security operations from Melvin Carraway, Acting Administrator, Transportation Security Administration.

The Secretary of Homeland Security, Jeh Johnson provided the Council with an update on DHS operations.

Judge Webster adjourned the closed session at 5:15 p.m.